

12.90B Annual appropriation bonds debt service fund and reserve funds.

1. An annual appropriation bonds debt service fund is created and established as a separate and distinct fund in the state treasury. Any amounts lawfully appropriated to make payments due with respect to annual appropriation bonds for a fiscal year shall be deposited into the annual appropriation bonds debt service fund and used by the treasurer of state or transferred to a trustee, paying agent, escrow agent, or depository as provided in the authorizing documents to make payments due with respect to the annual appropriation bonds for that fiscal year. Payments due with respect to annual appropriation bonds include but are not limited to the following:

a. Principal payments, interest payments, sinking fund payments, purchase price, redemption price, redemption premiums, and payments under interest exchange agreements.

b. Fees and expenses of trustees, paying agents, remarketing agents, financial advisors, underwriters, depositories, guarantors, bond insurers, liquidity or credit facility providers, interest rate indexing agents, and other professional and financial services providers.

c. Costs and expenses of the treasurer of state incident to and necessary and convenient to carry out the issuance and sale of the annual appropriation bonds and the administration of the appropriations bonds capitals fund, the annual appropriation bonds debt service fund, and any reserve funds.

2. The treasurer of state may create and establish one or more reserve funds with respect to the annual appropriation bonds to be used as provided in [section 12.90A](#) and the authorizing documents. The treasurer of state shall pay into any reserve fund any moneys appropriated by law to fund or restore the reserve fund, any proceeds of the sale of the annual appropriation bonds to the extent provided in the authorizing documents, and any other moneys which may be legally available to the treasurer of state for the purpose of the reserve fund. Moneys in any reserve fund established with respect to annual appropriation bonds, excluding the annual appropriations debt service fund, are not subject to [section 8.33](#).

3. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in any funds or accounts established with respect to annual appropriation bonds shall be credited to the applicable fund or reserve fund.

2009 Acts, ch 174, §2